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Advertising Age

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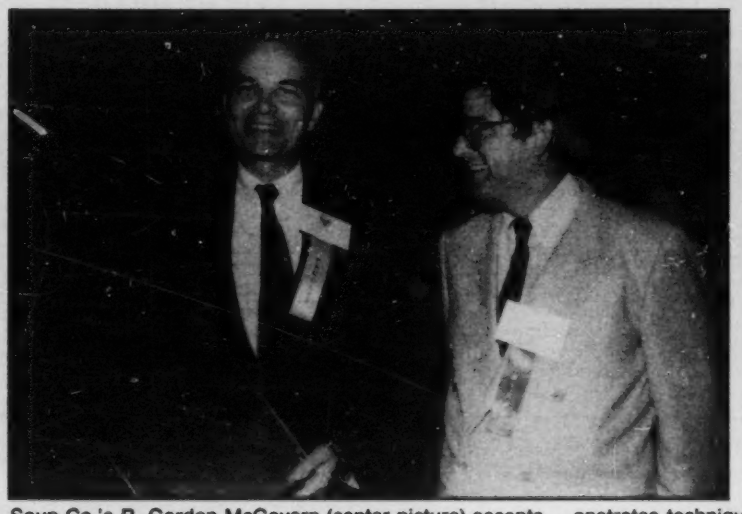

Staff photo by Mary Hershey

The winners: Ogilvy & Mather's Ken Roman (left in first picture) and Bill Phillips (right) receive the Agency of the Year award from Rance Crain of Advertising Age. Campbell Soup Co.'s R. Gordon McGovern (center picture) accepts plaque as Adman of the Year from Mr. Crain. At right, composer Tom Anthony, congratulatory flowers in hand, demonstrates techniques that won him the Advertising Music of the Year award. The award presentations highlighted Ad Age's annual Creative Workshop in New York last week.

AA Workshop hears calls for creative breakthrough

New York—American advertising is heading toward more "realness" despite a deplorable scarcity of commercials that show the "real America" as it is today, predicted John Bergin, vice-chairman of McCann-Erickson Worldwide.

In a speech at the 26th Advertising Age Creative Workshop here Aug. 10, Mr. Bergin urged his audience to explore new ways to create excitement on a magazine page or a tv screen.

He backed this call with the observation that, in his 33 years in the business, he has seen every well-accepted creative rule successfully broken.

For more coverage of the Advertising Age Creative Workshop held in New York last week see Pages 3, 76, 77 and 78.

In dissecting the state of creativity today, Mr. Bergin was not alone. A number of other agency leaders and advertising executives gave the nearly 800 workshop attendees their views on today's advertising. These included Martin Puris, president of Ammirati & Puris, who urged ad agencies to set up a formal training program for copywriters.

Attendance at the 3½-day conclave in the New York Hilton included 250 advertising professionals from 41 countries. The U.S. contingent represented advertising agencies, media and advertisers from 44 states.

Mr. Bergin, who heads the worldwide Coca-Cola account at McCann, said there is a chance in every product category to break a pattern, to split from the pack or be

(Continued on Page 77)

Ads' Olympic role hailed by Reagan

New York—President Reagan, in a special greeting to Advertising Age Creative Workshop attendees here last week, praised the advertising industry's support of the 1984 Olympics.

In his telegram, to Robert Brandon, director-promotional products group, Anheuser-Busch, whose presentation dealt with Olympic tie-in opportunities, Mr. Reagan said: "I appreciate the opportunity to send greetings to those attending the 1983 Advertising Age Creative Workshop discussion tonight on the 1984 Olympic Games.

"As you know, the spirit of private sector initiatives lies close to the heart of my administration. The advertising industry's support for the Olympics over the years serves as an excellent example of what can be accomplished without government involvement. I congratulate you on taking the leadership in this effort.

"To achieve what you have in the name of the Olympics requires a

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last minute news

Julius Wile puts Waring, Sacks on notice

Lake Success, N.Y.—Julius Wile Sons & Co., a division of London-based Whitbread Ltd., is reviewing agencies for its Julius Wile and Fleischmann Distilling divisions after putting Waring & LaRosa and Sacks & Rosen, respectively, on 90-days' notice. The W&L brands, spending about $3 million, include Dry Sack sherry, B&B and Benedictine liqueurs. The Fleischmann brands at Sacks & Rosen, also a multi-million-dollar account, include Fleischmann gin and vodka, Garnier cordials, Canadian Ltd. and several cream liqueurs. The decision to leave the shops stems from a management change, a source said.

Playboy to dismiss 30 in 'consolidation'

Chicago—Playboy Enterprises will dismiss 30 employes over the next four months in an ongoing effort designed to "streamline and consolidate operations," according to a company spokesman. About half of those being terminated are researchers, writers and editorial support people within the publishing division (*Playboy* and *Games*). Two New York-based pr staffers have been dismissed; the other cuts have been made within administrative support positions. Responsibility for all these jobs will be absorbed by current staffers, Playboy said.

P&G tests new Tender Leaf bag in Cleveland

Cincinnati—Procter & Gamble has introduced a restaged Tender Leaf tea package into a Cleveland test. The redesigned tea bag—it has changed from single to double chamber—is supported by tv spots by Dancer Fitzgerald Sample, New York, that focus on a father and son, and carry the message, "It's the tender leaves in the Tender Leaf that makes Tender Leaf tender. . .For a tender taste that's consistently smooth and not bitter." Last September, P&G acquired Tender Leaf, with sales estimated at

(Continued on Page 8)

B&W goes for 25

Brown & Williamson will put Richland, the second brand in the infant 25-cigarets-per-pack market, in eight states by October. *(See story on Page 2.)*

Another ad shop hit

U.S. probing Tanner taxes

By STUART EMMRICH and JOHN J. O'CONNOR

Another round of shockwaves went through the advertising community late last week when federal agents swooped down on the Memphis offices of William B. Tanner Co., the well-known barter and media services company, to investigate possible charges of income tax fraud, mail fraud conspiracy and payoffs to employes of Tanner clients.

Although no charges have been filed, the agents reportedly are investigating what may be payoffs of Tanner clients and illegal funneling of company funds for private use of company chairman William Tanner.

Just two weeks ago, John Ernst, chairman of Advertising to Women, pleaded guilty to charges of conspiracy and income tax evasion (AA, Aug. 8). Mr. Ernst was accused of using the assets of ATW to pay for a substantial amount of his and his employes' personal expenses. *(For industry reaction to that case, see earlier story on Page 75.)*

William B. Tanner Co. was acquired by Richmond, Va.-based Media General for $39 million in July, 1982. Media General chief executive officer Alan Donnahoe

(Continued on Page 78)

Ageless tiger

Kellogg Co. is targeting black consumers with a new Sugar Frosted Flakes campaign, set to begin in October issues of black-oriented publications. Radio commercials will support in 10 markets, via Vince Cullers Advertising, Chicago.

Fall ad plans reflect healthier company

Chrysler to play up brands

By RALPH GRAY

HIGHLAND PARK, MICH.—Chrysler, the third world of auto companies, will try again to play up its brand names in 1984 introductory advertising.

For several years, its precarious financial position forced it to abort separation of the Chrysler-Plymouth and Dodge nameplates in favor of still-in-business ads and rebates.

Things are better now, and Chrysler plans a significant presence under brand umbrella campaigns, Joseph Campana, vp-marketing, said at a press conference.

Chrysler-Plymouth wants to broaden its appeal on the Plymouth marque to younger buyers. "We've been pretty fact-oriented, and we want to stay selling facts but we want some emotional appeal," Arthur Liebler, general marketing manager, said.

The fall effort for Dodge "isn't an advertising campaign but a full marketing strategy. We want to create an identity for Dodge," said Joseph Caddell, general marketing manager. "A lot of things are factual and easy to understand—and dull," he said. "We want excitement and pizazz."

Dodge products will have a common theme: "We are Dodge. An American revolution."

Chairman Lee Iacocca will kick things off Sept. 9 with 64 network spots about America regaining the lead in technology.

"You don't just need a lot up here," he says, pointing to his head. "You need a little something in here," he adds, pointing to his midsection. It's his 20th spot for Chrysler via Kenyon & Eckhardt, Birmingham, Mich.

Plymouth, once one of the big low-price three with Chevrolet and Ford, has sunk to one-third of its heyday. Sales this year are about 300,000, compared with 1 million 10 years ago.

"Our objective is to stress the Plymouth name. We'll say Plymouth Horizon, instead of Horizon. We'll position Plymouth for the first-time buyer," Mr. Liebler said.

Chrysler's five-year, 50,000-mile warranty will be linked with the Plymouth name in spots like: "The 5/50 Plymouth Reliant K, the highest mileage six-passenger car in America. Match it." The "Match it" line extends to Turismo and Horizon. Competition like the Ford Mustang, the Chevrolet Camaro and Cavalier and the Toyota Corolla are named.

Dodge puts its strategy in a 60-second commercial from BBDO, Southfield, Mich., that says in part: "Revolution in the streets. An automotive revolution. . .because Dodge has a vision, a front-wheel-drive, fuel-efficient, fun-to-drive vision of what's been missing from the American road. . .the largest turbocharged fleet in the world, the largest front-wheel-drive fleet in the world. A revolution. An American revolution."

Both divisions are counting a lot on the same car, the code-named G24 sporty car that goes up against Ford Mustang and Chevrolet Camaro. Since the cars are virtually identical, marketing had to unmatch the vehicles.

Chrysler-Plymouth goes upscale with leather seats and electronic instruments and a comparison with the Porsche 944. "We know the competition was good," runs one spot. "We had to be better. The new Chrysler Laser challenges the gold standard Porsche 944."

Copy says tests showed the Laser outdoing the 944 in braking and handling, and that it

(Continued on Page 75)

Seoul Olympics looking beyond network tv rights

By CRAIG REISS

NEW YORK—The U.S. broadcast rights for the 1988 Summer Olympic Games in Seoul, South Korea, are expected to include rights covering all program distribution technologies, and not to be limited to network tv broadcasts.

Discussions between the three U.S. tv networks, other potential Olympics rights bidders and the Seoul Olympic Committee have included talks on distributing the 1988 Summer Olympics coverage through a combination of network tv, cable, pay cable, pay per view and other delivery forms. While all talks so far have been preliminary and the Seoul committee has not established any guidelines for bidding on the rights, sources close to the talks say it is clear that the Koreans will require bids covering the entire spectrum of new technological distribution and not just network tv coverage.

As a result, all parties concede, the 1988 Summer Olympics network tv package will be weaker than in 1984. To facilitate pay per view or other new-technology distribution, some of the most popular Olympic events will have to be dropped from the network tv package. None of the potential bidders has calculated which events could be sacrificed from the network tv package, but some observers say the most likely candidates are the heavyweight boxing finals, the mile and other track events and the decathlon competition.

Furthermore, the expected inev-

(Continued on Page 74)

B&W's Richland offers 25 per pack

By JOHN J. O'CONNOR

Brown & Williamson Tobacco's new Richland, the second brand in the infant 25-cigarets-per-pack market, might speed changes in tax laws in 17 states that currently nullify the new pack's five-cigaret bonus.

Until last week's announcement that Richland will be available at retail by the second week of October in eight midwestern and southern states, R.J. Reynolds Tobacco was waging a solitary battle to have those 17 states tax cigarets by the unit and not by punitive multiples of 10 and 20. Reynolds' Century brand also offers 25 cigarets per package.

Philip Morris USA, whose market share bulged to a leading 34.3%

(Continued on Page 72)

highlights

Monday, August 15, 1983

ABC and Metromedia have suffered some loss of face on Wall Street. *See Page 6.*

Consolidated Foods unloads its troubled L'erin cosmetics line to Andrea Co. at a bargain-basement price. *See Page 10.*

Dancer Fitzgerald Sample reorganizes its international management structure. *See Page 10.*

National Car Rental has revised one of its newspaper ads after a challenge by the National Advertising Division. *See Page 14.*

Procter & Gamble is reopening a tv production office in Hollywood. *See Page 14.*

West Bend Co. has joined the rush to cash in on the home gym category with its Total Gym exercise system. *See Page 30.*

Atari and General Foods have joined together for a promotion in which computer software and hardware will be given away in a proof-of-purchase program. *See Page 34.*

Mutual Broadcasting System president Martin Rubenstein believes the company's satellite distribution system will ensure the financial stability of his radio empire. *See Page 38.*

E.E. Dickinson, the witch hazel company, after years of rumors about its future, is finally sold to another Connecticut company, MK Laboratories. *See Page 60.*

The wine market saw an over-all sales increase in 1982, with the imported wine category continuing to gain market share while the domestic category registered a drop in shipments. *See Page 67.*

Playboy is going to be parodied not once, but twice this fall, and the rival parodists are getting ready to face off for advertiser and reader dollars. *See Page 76.*

This week's cover photograph by Dave Jordano.

CORPORATE CLOSEUP

Thomas J. Lipton Inc. is hoping to change the "novelties" image of its Good Humor division to that of "the specialty ice cream company" through a comprehensive marketing plan being developed. *See Page 4.*

INTERNATIONAL

Silvio Garcia Patto, the 43-year-old owner of the Mexico City-based agency of the same name, is considered the black sheep of advertising in Mexico. *See Page 38.*

Stern's publication of the phony Hitler diaries has not ended the fallout for Germany's largest pictorial weekly, the flagship of Gruner & Jahr. *See Page 40.*

VIDEOTECH

Metromedia's plans for a national news operation and a prime time newscast next year have not been stopped by the resignation of the company's news president Mark Bvs Monsky. *See Page 54.*

Philadelphia's WKBS-TV will turn in its license to the FCC Aug. 29 and a hotly competitive battle for the license is expected. *See Page 56.*

MAGAZINE

Our Sounding Board, in response to questions about research, predicts increases in budgets, more use of outside services. *See Page M-4.*

James Brady takes us to visit the beautiful people of "The Hamptons," ABC's new prime time soap, which the network calls "the hottest place to spend the summer." *See Page M-6.*

Liquor Marketing: In response to declining liquor shipments, the emphasis on fitness, levies of higher taxes and the shift toward moderation, liquor marketers are increasing ad spending, adding new entries and promoting creative uses of established brands. *See Page M-9.*

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NH&S to do more for Atari

By BOB MARICH

Needham, Harper & Steers/USA, a minor agency relegated to "special projects" in Atari's stable, is on the road to major agency status.

NH&S is carving out a niche in Atari's videogame software advertising, once ruled exclusively by Doyle Dane Bernbach. The agency also picked up the assignment for Atarisoft, a trade name for a new division marketing computer and game software that is compatible for equipment made by Atari competitors. Atarisoft ads will break this fall.

The clearest sign that NH&S is on the rise came with its "Nobody's hotter than Atari this summer" campaign and giveaway promotion (AA, July 4). It originally was to be strictly radio but was expanded to tv. A special spot the agency produced specifically for MTV: Music Television cable network was shortened and aired on commercial tv.

"It's the third time where we made ads for MTV that had such a good response that we've gone broader with them," said Theodore Voss, senior vp-marketing, Atari products management division. The surrealistic ad features teen-

(Continued on Page 72)

Ad-to-sales ratios listed by industry

EVANSTON, ILL.—Management consultants Schonfeld & Associates has issued its annual report on advertising as a percentage of sales.

The study, which also forecasts 1984 ad spending of 4,400 individual companies and 240 industries via use of computer models, shows ratios of ad spending to net sales and to gross margin (sales minus cost of goods sold) for 1982, 1983 and 1984. The accompanying table from the study contains average 1982 ratios by industry. However, Eugene P. Schonfeld, chairman of Schonfeld & Associates, cautioned that within many industry sectors, individual companies may spend significantly more or less than the average.

The raw data for the study were compiled from more than 5,000 10-K Reports filed by publicly owned companies with the Securities & Exchange Commission. Therefore, advertising expenditures include media spending and such nonmedia spending as collateral literature and production. For this reason, these figures are often substantially larger than figures from media auditing services such as Leading National Advertisers.

"In some categories, there may be substantial nonmedia advertising, such as catalog advertising by retailers, point-of-purchase advertising in alcoholic beverages and direct mail in financial services. By subtracting media spending estimates, it is interesting to see how much nonmedia spending there is," Mr. Schonfeld commented.

While data for the study were compiled from published financial statements rather than surveys, cautious interpretation is required for several reasons. First, companies may vary in what they include under advertising expenditures. Second, many large companies are in several fields, yet are listed in only their primary industry sector. Distortion may result because a large subsidiary may not be included in the industry in which it competes. Third, a few large companies are privately held and their figures are not included.

In the section of the Schonfeld study that includes the 1984 ad spending forecast, Procter & Gamble is predicted to hold its role as the top ad spender in 1984 with $980.1 million, slightly ahead of General Motors at $950.4 million.

Depending upon media price inflation, either or both could top the $1 billion mark.

In 1984, the drug industry will lead all industries in ad spending with $4.1 billion, Schonfeld predicted. Retail department stores will take a distant second place with $3.3 billion, followed by food companies at $3.0 billion.

Major new industries will emerge as large ad spenders in the next few years—computer software and computer hardware servicing. Companies in these industries are still small, but their ad growth rates are among the fastest in American industry, the Schonfeld company reported. It said the computer-related services segment has an ad growth rate of 37.6% compounded annually.

Other high advertising growth industries cited include: Telecommunications at 24%, fueled by technological change and the split of AT&T; solar energy equipment at 23%; air transport at 14.6%; personal credit and financial services at 22.5%.

Foreign companies will remain a competitive factor in many markets. Matsushita Electric is predicted to spend $438.2 million on advertising in 1984, considerably more than most U.S. companies. Spending at Honda is expected to be $273.1 million, up 11%, and Hitachi is estimated to hit $209.4 million.

The study, AD$ FORECASTS, contains 1984 ad expenditures, advertising-to-sales and advertising-to-gross profits for companies in 245 industries.

Besides ratios, the full study contains 1983 and 1984 ad expenditure growth rates, a measure of ad spending stability and a rating of ad effectiveness for each company and industry.

A copy of the 155-page study is available for $275 from Schonfeld & Associates, 2550 Crawford Ave., Evanston, Ill. 60201.

Advertising-to-sales ratios, 1982

By industry

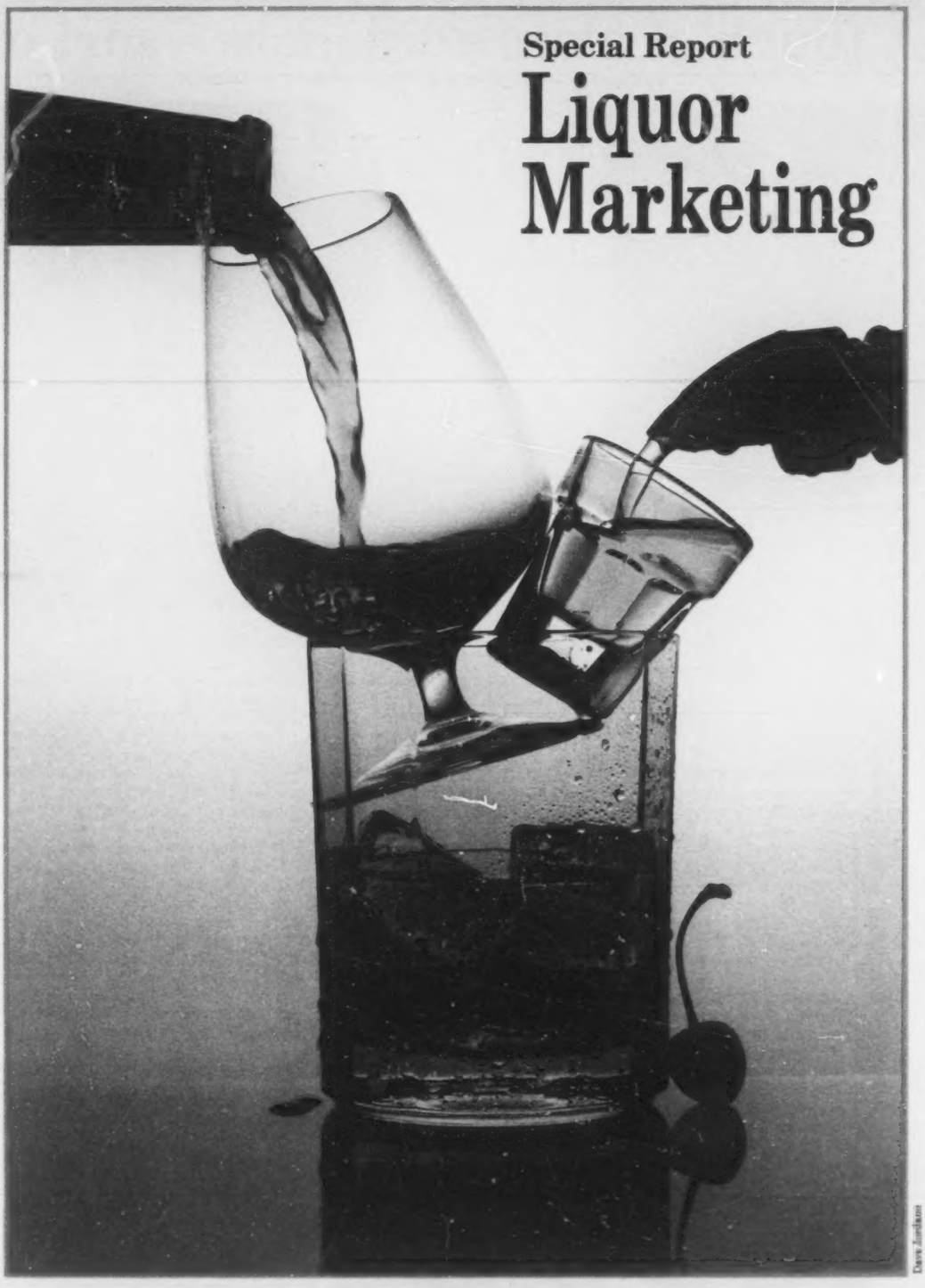
Industry	SIC no.	Ad dollars as per cent of sales	Ad dollars as per cent of margin	Annual growth rate (%)
Agriculture Production-Crops	100	2.1	8.9	4.9
Agriculture Produc-Livestock	200	.9	4.0	14.0
Metal Mining	1000	.8	4.1	18.8
Copper Ores	1021	.3	7.5	-19.0
Lead & Zinc Ores	1031	N/A	N/A	N/A
Gold & Silver Ores	1040	.1	.2	-0.3
Misc. Metal Ores	1090	N/A	N/A	N/A
Bituminous Coal & Lignite Min	1211	.2	.8	24.1
Crude Petroleum & Natural Ga	1311	.1	.3	10.7
Drilling Oil & Gas Wells	1381	.5	1.2	-8.9
Oil-Gas Field Exploration	1382	.2	2.7	-100.0
Oil & Gas Field Services NEC	1389	1.2	9.2	20.3
Misc Nonmetalic Minerals	1499	.1	.4	11.3
General Building Contractors	1520	1.2	10.4	-7.9
Operative Builders	1531	1.9	16.5	4.8
Gen Bldg Contractors-Nonres	1540	.5	4.7	1.7
Construction-Not Bldg Constr	1600	2.1	16.0	7.8
Construction-Spl Contractors	1700	.1	.8	.8
Food & Kindred Products	2000	4.2	13.1	11.3
Meat Products	2010	3.1	29.1	4.3
Dairy Products	2020	4.3	15.8	10.0
Canned-Preserved Fruits-Vegs	2030	4.8	14.4	11.9
Flour & Other Grain Mill Pds	2041	2.1	10.7	11.1
Wet Corn Milling	2046	.4	3.1	-34.2
Prepared Feeds for Animals	2048	7.8	30.6	9.9
Bakery Products	2050	1.7	3.8	-4.2
Cane Sugar Refining	2062	.3	2.1	2.3
Beet Sugar	2063	.1	.4	-6.0
Candy & Other Confectionery	2065	6.1	15.9	8.8
Fats & Oils	2070	N/A	N/A	N/A
Malt Beverages	2082	7.0	23.2	13.7
Distilled Rectif Blend Bevrg	2085	7.9	17.8	9.3
Bottled-Canned Soft Drinks	2086	5.7	11.5	7.7
Food Preparation NEC	2099	1.4	4.2	11.3
Cigarettes	2111	3.7	13.1	10.2
Cigars	2121	2.8	5.1	7.4
Textile Mill Products	2200	1.2	7.9	-0.8
Knitting Mills	2250	1.6	6.7	-0.2
Floor Covering Mills	2270	1.2	5.7	7.1
Apparel & Other Finished Pds	2300	2.8	9.3	9.0
Lumber & Wood Products	2400	.3	1.4	-11.1
Wood Buildings-Mobile Homes	2450	1.0	5.4	-5.4
Household Furniture	2510	1.7	5.9	4.4
Office Furniture	2520	1.8	4.8	10.0
Paper & Allied Products	2800	1.2	6.0	-3.0
Convert Paper-Paperbd Pd NEC	2649	3.6	7.2	10.2
Paperboard Containers-Boxes	2650	N/A	N/A	N/A
Printing Publishing & Allied	2700	3.5	10.2	6.0
Newspapers: Publishing-Print	2711	1.6	3.9	9.3
Periodicals: Publishing-Prin	2721	3.5	8.8	1.0
Books: Publishing & Printing	2731	4.8	8.3	8.9
Commercial Printing	2750	.3	.8	8.1
Manifold Business Forms	2761	.7	1.9	-1.2
Greeting Card Publishing	2771	2.9	5.3	14.5
Service Indus For Print Trde	2790	.7	2.3	13.1
Chemicals & Allied Prods	2800	1.2	4.5	6.0
Indl Inorganic Chemicals	2810	5.1	17.5	-15.5
Plastic Matr Synthetic Resin	2820	.7	3.2	-1.3
Drugs	2830	8.2	14.1	8.1
Soap & Other Detergents	2841	6.8	17.6	7.5
Perfumes Cosmetics Toil Prep	2844	8.4	14.5	7.1
Paints-Varnishes-Lacquers	2850	2.5	7.8	10.9
Industrial Organic Chemicals	2860	.7	3.3	8.7
Agriculture Chemicals	2870	8.2	9.4	30.8
Misc Chemical Products	2890	2.2	6.2	1.4
Petroleum Refining	2911	.3	1.5	3.3
Paving & Roofing Materials	2950	1.6	8.1	-3.8
Rubber & Misc Plastics Prods	3000	2.0	8.8	.3
Fabricated Rubber Prods NEC	3069	.9	3.0	13.6
Misc Plastic Products	3079	2.0	7.2	.9
Footwear Except Rubber	3140	3.0	7.9	5.9
Leather Goods NEC	3199	8.3	24.5	5.5
Flat Glass	3210	.2	.7	-8.6
Glass Containers	3221	2.6	12.3	2.2
Cement Hydraulic	3241	.0	.2	-10.7
Structural Clay Products	3250	1.4	5.1	10.5
Pottery Products NEC	3269	.4	1.4	9.3
Concrete Gypsum & Plaster	3270	.5	2.8	-7.3
Abrasive Asbestos & Misc Min	3290	1.9	7.1	1.7
Blast Furnaces & Steel Works	3310	1.5	5.4	2.2
Iron & Steel Foundries	3320	N/A	N/A	N/A
Prim Smelt-Refin Nonfer Mtl	3330	.3	1.9	-7.5
Second Smelt-Refin Nonfer Mt	3341	.2	5.7	-21.6
Rolling & Draw Nonfer Metal	3350	1.1	3.5	7.8
Misc Primary Metal Products	3390	.3	1.3	12.9
Metal Cans & Shipping Cont	3410	4.2	18.5	-1.9
Hardware NEC	3429	8.0	17.1	-0.8
Heating Equip & Plumbing Fix	3430	2.2	5.9	5.9
Solar Energy Equip & Comp	3437	1.6	4.9	22.9
Fabricated Struct Metal Prod	3440	N/A	N/A	N/A
Mtl Doors-Frames-Mold & Trim	3442	1.0	3.5	-3.6
Fabricated Plate Work	3443	.1	.7	3.3
Sheet Metal Work	3444	.8	2.2	18.6
Prefab Metal Bldgs & Comp	3448	1.3	5.6	5.1
Misc Metal Work	3449	11.3	88.2	7.8
Bolts-Nuts-Screws-Riv-Washrs	3452	.4	1.5	-0.7
Metal Forgings & Stampings	3460	2.2	9.1	-4.1
Ordnance & Accessories	3480	2.3	6.8	15.7
Valves & Pipe Fittings Ex Bras	3494	1.0	3.7	6.4
Fabricated Metal Prds NEC	3498	.3	1.9	-4.4
Engines & Turbines	3510	1.8	6.5	-1.1
Farm & Garden Machinery & Eq	3520	1.4	6.4	-4.1
Constr Min Mat Handl Eqp	3530	1.2	4.3	3.8
Construction Machinery & Eqp	3531	.9	4.9	-1.8
Oil Field Machinery & Equip	3533	.5	1.2	5.3
Hoist-Indus Cranes-Monorail	3536	.7	2.6	-2.6
Indl Trucks-Tractors-Trailers	3537	1.3	9.6	-11.3
Metalworking Machinery & Eqp	3540	5.1	16.2	-1.6
Special Industry Machinery	3550	1.8	6.1	2.8
Pollution Control Machinery	3559	.4	1.3	-12.8
General Industrial Mach & Eq	3560	.9	3.1	3.3
Office Computing & Acctg Mch	3570	1.8	3.0	10.7
Electronic Computing Equip	3573	.8	1.4	11.6
Refrig & Service Ind Machine	3580	1.4	5.4	-3.6
Elec & Electr Mach Eq & Supp	3600	1.3	4.4	6.8
Elec Transmission & Distr Eq	3610	.8	2.6	2.7
Electrical Industrial Appar	3620	.8	3.0	1.3
Industrial Contrl	3622	1.1	3.2	8.3
Household Appliances	3630	2.5	9.8	4.1
Electrical Lighting-Wiring Eq	3640	2.0	5.8	4.7
Radio-TV Receiving Sets	3651	4.0	11.0	9.5
Phonograph Records	3652	13.0	38.3	20.1
Tele & Telegraph Apparatus	3661	1.5	5.0	1.1
Radio-TV Transmitting Equip-AP	3662	1.3	4.2	6.4
Electronic Components & Acce	3670	.9	2.9	4.7
Semiconductors & Rel Devices	3674	2.0	5.6	11.4
Electronic Components NEC	3679	1.0	2.4	8.2
X-ray, Electromedical Apparat	3693	1.3	2.0	17.5
Electrical Machy & Equip NEC	3699	5.4	15.4	3.2
Motor Vehicles & Car Bodies	3711	1.7	11.8	7.0
Truck & Bus Bodies	3713	N/A	N/A	N/A
Motor Vehicle Parts-Accessor	3714	.9	3.7	4.5
Motor Homes	3716	1.6	10.3	9.9
Aircraft & Parts	3720	2.1	5.5	10.7
Aircraft	3721	.3	1.8	-2.3
Aircraft Parts & Aux Equip	3728	.4	1.4	5.2
Ship-Boat Building & Repairing	3730	.8	8.7	2.4
Railroad Equipment	3740	.5	1.5	-1.5
Motorcycles Bicycles & Parts	3750	2.3	12.7	8.9
Guided Missiles & Space Vehc	3760	.4	1.9	3.7
Travel Trailers & Campers	3792	.7	3.8	-1.5
Engr Lab & Research Equip	3811	1.5	3.4	7.2
Measuring & Controlling Inst	3820	.8	2.5	7.1
Industrial Measurement Instr	3823	2.0	4.6	4.2
Elec Meas & Test Instr	3825	1.6	4.3	6.6
Optical Instruments & Lenses	3830	5.6	11.8	4.6
Surg & Med Instruments & App	3841	1.2	2.7	8.7
Ortho-Prosth-Surg Appl & Supp	3842	1.0	2.9	8.0
Dental Equip & Supplies	3843	1.6	3.9	-6.4
Photographic Equip & Suppl	3861	3.7	7.4	8.9
Watches Clocks & Parts	3870	2.1	9.8	-21.2
Jewelry-Precious Metals	3911	5.0	12.4	.7.1
Silverware-Plateware	3914	2.3	6.3	12.6
Musical Instruments	3931	2.4	9.8	-23.2
Toys & Amusement Sport Goods	3940	10.5	34.9	14.0
Pens-Pencil & Oth Office Mat	3950	5.9	14.9	9.2
Misc Manufacturing Industrie	3990	3.8	10.3	9.7
Railroads-Line Haul Operating	4011	.5	4.5	2.9
Intercity & Rural Hiway Trans	4131	2.9	7.7	9.1
Trucking-Local & Long Distance	4210	.8	2.9	12.3
Water Transportation	4400	1.8	5.8	-4.0
Air Transportation-Certified	4511	2.0	15.1	14.6
Pipe Lines Ex Natural Gas	4610	N/A	N/A	N/A
Transportation Services	4700	2.6	9.5	8.0
Freight Forwarding	4712	N/A	N/A	N/A
Telephone Communication	4811	2.0	4.5	24.4
Telegraph Communication	4821	N/A	N/A	N/A
Radio-TV Broadcasters	4830	3.5	8.7	7.4
Communication Services NEC	4890	1.8	4.7	23.0
Natural Gas Transmission	4922	.0	.0	36.0
Natural Gas Transmis-Distr	4923	.2	.8	10.7
Water Supply	4940	N/A	N/A	N/A
Sanitary Services	4950	.3	1.0	-5.2
Whsl-Autos & Parts	5012	1.2	4.7	9.8
Whsl-Lumber & Constr Matl	5030	.0	.3	10.5
Whsl-Sporting & Recrea Goods	5040	1.5	6.2	9.1
Whsl-Metals & Minerals	5050	.5	2.1	36.3
Whsl-Elec Apparatus & Equip	5063	.2	.9	5.7
Whsl-Elec Appliance TV & Radio	5064	7.6	20.4	18.0
Whsl-Electronic Parts & Equip	5065	2.1	7.8	-4.8
Whsl-Hardwr Plum Heat Equip	5070	3.9	35.5	5.5
Whsl-Machinery & Equipment	5080	1.3	4.7	9.3
Whsl-Scrap & Waste Materials	5093	N/A	N/A	N/A
Whsl-Durable Goods NEC	5099	3.1	10.0	10.3
Whsl-Drugs & Proprietary	5120	.5	3.8	31.8
Whsl-Groceries & Related Pds	5140	.2	1.5	1.9
Whsl-Petroleum & Petro Pds	5170	.1	1.0	-8.7
Whsl-Nondurable Goods NEC	5199	.6	5.4	1.3
Retail-Lumber & Bldg Mat	5211	2.7	22.8	14.2
Retail-Mobile Home Dealers	5270	1.3	7.3	.4
Retail-Department Stores	5311	3.0	12.7	9.2
Retail-Variety Stores	5331	2.4	9.0	6.9
Retail-Grocery Stores	5411	1.3	5.6	6.7
Retail-Auto Dealers & Gas Stat	5500	1.3	5.0	7.0
Retail-Apparel & Acces Store	5600	2.8	7.4	8.8
Retail-Womens Ready To Wear	5621	2.5	7.9	6.3
Retail-Shoe Stores	5661	1.6	4.1	10.9
Retail-Furniture Stores	5712	7.2	18.7	1.6
Retail-Hshld Appliance Store	5722	8.7	20.5	16.0
Retail-Eating Places	5812	3.3	18.2	10.0
Retail-Drug & Proprietor Stores	5912	1.8	7.2	11.7
Retail-Jewelry Stores	5944	6.3	14.6	8.9
Retail-Sewing & Needlework	5949	3.5	6.9	13.3
Retail-Mail Order Houses	5961	13.7	35.9	3.9
Retail-Auto Mdlng Mach Oper	5962	2.8	8.5	17.2
Retail-Fuel & Ice Dealers	5980	.8	3.1	20.6
Retail-Stores NEC	5999	2.9	8.8	10.9
Savings & Loan Associations	6130	.5	2.1	18.2
Personal Credit Institutions	6140	1.6	4.2	22.5
Business Credit Institutions	6150	.2	.3	2.1
Finance-Services	6199	2.3	12.2	6.0
Security & Commodity Brokers	6200	.9	5.3	12.6
Insurance Agents Brokers	6400	1.1	5.1	13.0
Real Estate	6500	3.0	10.3	-0.2
Operators-Nonres Bldgs	6512	1.9	8.0	9.1
Operators-Apartment Bldgs	6513	1.8	3.8	8.7
Lessors of Real Property-NEC	6519	2.3	4.4	18.5
Subdivid Develop Ex Cemetery	6552	1.9	7.9	4.3
Oil Royalty Traders	6792	.0	.0	-100.0
Patent Owners & Lessors	6794	7.7	22.4	32.9
Real Estate Investment Trust	6798	.9	1.7	6.9
Investors-NEC	6799	.0	.0	9.5
Hotel-Motels	7011	2.5	9.4	7.7
Serv-Personal	7200	6.6	21.5	9.8
Serv-Linen Supply	7213	.5	1.8	7.1
Serv-Advertising Agencies	7311	.2	1.9	4.3
Serv-Clean & Maint to Bldg NEC	7349	.4	2.1	7.5
Serv-Computer & Data Process	7370	1.2	3.5	18.1
Serv-CMP Program & Software	7372	.8	3.4	14.5
Serv-Data Processing Svcs	7374	1.9	2.3	8.5
Serv-Computer Rel Svcs NEC	7379	2.3	4.3	37.6
Serv-Research & Development Lab	7391	.5	1.7	-16.4
Serv-Mgmt Consulting & PR	7392	.2	.5	3.7
Serv-Detective & Protective	7393	22.5	-4.2	0.0
Serv-Equip Rental & Leasing	7394	2.7	4.2	2.9
Serv-Business Services NEC	7399	3.0	12.9	4.4
Serv-Automotive Repair & Ser	7500	2.5	6.0	10.5
Serv-Motion Picture Productin	7810	6.4	27.3	7.1
Serv-Motion Picture Theatres	7830	3.3	19.3	9.3
Serv-Racing Incl Track Oper	7948	3.9	18.6	11.5
Serv-Misc Amusement & Recrea	7990	4.7	18.0	17.3
Serv-Nursing-Person Care Fac	8050	1.7	9.1	11.4
Serv-Hospitals	8060	.5	1.2	-1.7
Serv-Educational	8200	4.5	11.5	17.7
Serv-Engineering & Architect	8911	.4	1.9	1.4

Legend: SIC - Standard Industrial classification. N/A - No data available for this value. NEC - Not elsewhere classified. Ad dollars as per cent of sales - Ad expenditures/net sales. Ad dollars as per cent of margin - Ad expenditures/(net sales—cost of goods sold). Annual growth rate of advertising dollars.

Source: Schonfeld & Associates, Inc., 2550 Crawford Ave., Evanston, IL 60201 (312) 869-5556

Special Report

Liquor Marketing



Dave Jordano

Blending recipes for survival

By Lori Kesler

Some folks in the liquor industry must feel a lot like the guy who oversleeps on the day of an important appointment, then wakes with a chilling jolt, knowing he'll have to run like crazy to make up for lost time.

Liquor marketers, indeed, are hustling these days because they just woke up and took a long hard look at their industry. And what they found was not a pretty sight.

Lori Kesler is an Advertising Age *correspondent in St. Louis, and a frequent contributor to* Magazine.

After several years of relatively flat sales, liquor shipments in 1982 plunged 4.5%, back to pre-1975 levels, according to *Impact*, the wine and spirits newsletter.

There's some good news, of course. Rum's still a rising star, with Bacardi, the largest-selling brand in the country, leading the hit parade.

Cordials and liqueurs—especially the creams—flourished last year as the liquor industry looked hungrily to that market for any excitement it could muster. And some classic leading brands managed to thrive in stunted categories by grabbing shares from their ailing competitors.

But those bright spots just weren't enough to make up for the declines all major liquor categories recorded in 1982. The whisky category—bourbon, blends, Canadians and scotch—suffered the most dramatic drop, though some experts believe bourbon already has hit bottom and could recover ground in 1983.

And white goods—vodka, gin, rum and tequila—as a category lost gallonage last year for the first time ever. Apparently, the white goods' soaring fortunes of the 1970s have come to a screeching halt, with gin and domestic vodka the biggest losers.

"The year 1982 was probably the most difficult one distillers will ever have to face," says Marvin Shanken, editor and publisher of *Impact*. "A number of negative forces seemed to come together to hit them all at once between January and December."

Experts agree that the economy in 1982 hurt distilled spirits sales. Wine and beer felt the pressure, too, giving lie to the old theory that alcoholic beverages could float comfortably through any recession.

But liquor marketers can't blame all their woes on economic hard times. Several other factors also come into play.

For example, changing life styles have taken their toll. Many American consumers, swept up in the hoopla of the health and fitness movement, have switched to lighter-tasting, lower-alcohol beverages.

And the current generation of young people, weaned on soft drinks, seems more inclined to move up to beer and wine than to the hard stuff. As one liquor executive notes glumly, "Today's young people are video watchers, and tv advertising targeted to that group has given beer and wine a big advantage."

Then, too, there's the move to moderation. Although liquor marketers support the concept of moderate drinking, some claim the current crop of what they call "neo-Prohibitionists"

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Recipes

(Continued from Page M-9)

employ scare tactics, and they say they're being hurt by the anti-alcohol crusaders.

In addition, distillers are worrying about threats of heavier taxes on liquor. Local, state and federal taxes already add several dollars to the price of a bottle of whisky, and a proposed increase could increase the ante about 50%.

Another factor that may be dampening the national appetite for spirits is the graying of America.

Sam Haas, former liquor retailer and president of Worldwide Promotion Co., Chicago, notes that more than 20% of the population is past 60, "and that's a very sterile market for liquor."

And finally, experts say, the distilled spirits people must blame themselves for some of their problems because they've been noticeably slow to adapt to certain changing trends.

Says *Impact's* Mr. Shanken: "The liquor industry's been in trouble for five years. It's nothing new. But now, I think, distillers are finally beginning to respond to the changing times."

He says he's glad to see companies pumping new blood into the industry with such innovative products as Seagram's Captain Morgan spiced rum. He's encouraged, too, by dramatic new advertising thrusts for cognac, brandy and imported vodka.

Indeed, over-all liquor brand advertising increased in 1982 despite sales declines. The top companies spent some $282.3 million in advertising last year, about $6 million more than in 1981, *Impact* reports.

Still, Mr. Shanken thinks liquor marketers have a long way to go. "There's a crying need for them to be more aggressive, creative and prolific," he says. "It's time to start rolling out more new products. The ones coming out now are exciting, but they're simply not enough."

Of course, in the liquor industry, everything must be channeled through the legally sanctioned distribution systems, and that makes local retailer and distributor support vital to a new product introduction.

But sometimes retailers and distributors resist taking on new brands, and their intransigence angers Mr. Shanken.

"Shame on them," he says. "If they want to be dinosaurs, then let them go into another line of business. In liquor, they're going to have to take risks and give new products a chance if the industry is to grow and prosper."

David Kay, president of St. Louis' 905 International, a liquor store chain, welcomes new products gladly. "No problem," he says. "We make room by cutting a slow-selling brand off the bottom of the list. We're always looking for new excitement."

However, others in the industry argue that too much of the so-called new product activity is really just copycatting.

"Everybody followed Bailey's into the cream market," says Mr. Haas. "Now the stores stock more brands of creams than bourbons. But [creams'] prices are coming down and eventually most of them are going to die."

"Research and development is very expensive and not many companies can afford it, so some copycatting is inevitable," acknowledges Perry Luntz, editor and publisher of *Beverage Alcohol Market Report*, New York. He adds, however, "if a distiller spends a lot of money creating a new product, he ought to take the trouble to make it something really different, not something that just complicates a line."

Victor Zast, advertising and marketing vp at James B. Beam Distilling Co., Chicago, agrees that me-too products cause confusion. "One knock-off after another doesn't help the industry," he says.

But he's quick to add that genuinely new concepts can breathe vitality into the marketplace and give the consumer a variety of choices. In fact, he says it's time for distillers to forget the standard gospel that says a good product will live on forever.

A case in point may be a new Beam product to be introduced later this year. Apparently, the old bourbon company's young offspring will be unabashedly trendy. "It will describe the way people live today. I'm not sure it'll fit the way people live 20 years from now," Mr. Zast says.

But that's not important. What's important to distillers right now is divining the tastes of the 1980s. And it seems most companies are betting on sweeter-tasting, lower-proof drinks.

"The consumer today goes for more flavor and less bang," says Mr. Luntz.

That, in itself, may represent a significant attitude change. "Thirty years ago, people consumed alcohol essentially to put themselves in another state of mind. To do it, they had to learn to drink products that didn't taste good to them," says W.V. Elliott, chairman at W.V. Elliott Co., a spirits company in New Britain, Conn.

He believes the American consumer is finished with all that. "In the past, people didn't care if they were fat or sloppy. Now we have a health-conscious society," Mr. Elliott says. "And people today are sophisticated enough to know that alcohol consumed moderately can be a very good adjunct to anyone's life style. But if misused, it can hurt people. So they're cutting back, using alcohol more judiciously."

When Mr. Elliott's company introduces a 48-proof liqueur in September, the label will carry the message, "Enjoy in moderation." Eventually, labels on all Elliott products will carry that statement.

All ads for Elliott products also carry those three words. "I feel strongly about moderation," he says. "Pointing out both the good and bad sides of alcohol isn't going to hurt us at all."

Mr. Elliott, whose three-year-old company has created such products as Rumple Minze peppermint schnapps, Schnapple apple liqueur and Melano Cappucino, finds plenty of evidence that Americans "talk dry but drink sweet."

"Kids in this country grow up with Coca-Cola and ice cream. We don't know what dry is," he says.

Many new products also have relatively low alcohol content—for a couple of reasons. Mr. Luntz says if the federal excise tax goes up—it's based on alcohol content—distillers may have to concentrate on lower-proof spirits to keep prices in line.

But distillers say they're simply bowing to consumer tastes for "lighter" alcohol drinks. Women especially are said to prefer lower-proof drinks, and females have become increasingly important to the market.

Heublein Spirits Group, Hartford, Conn., noting consumer interest in lower-proof drinks, is reformulating its premixed Club cocktails to contain less alcohol.

Heublein also has several new low-proof products in development. One may target the working woman who wants to drink at lunch, but also wants to keep a clear head, says a spokeswoman.

While new products may be a good vehicle for the industry, Mr. Kay of 905 International argues that liquor marketers should focus more attention on finding more imaginative ways to present the old standbys. He applauds Jack Daniels' current on-premise promotion featuring a mixed drink called Lynchburg lemonade.

"It's great because it's not selling whisky per se," notes Mr. Kay. "It suggests a use for the product that appeals to certain groups—young people and women, for example—who don't normally drink Jack Daniels. "There's not enough of that kind of imaginative salesmanship in liquor marketing," he says.

"What are the distillers offering? Contests, free gifts, items to buy. That's not interesting," grumbles Sam Haas. "They should give people a reason to drink the product."And, he adds, "Distillers aren't helping retailers enough. I don't think they're supporting their product in proper fashion. If we don't do it on our own, forget it."

Oddly, distillers have been known to level the same criticism against retailers. Howard S. Feldman, president at Schenley Industries, New York, last fall told a gathering of package store retailers that they've concentrated on wine and beer while giving short shrift to spirits.

Such comments from both sides reflect the importance of marketing at the local level. But, says editor Mr. Luntz, some liquor marketing executives who come directly from package goods industries "just can't comprehend that this is a 50-market industry.

"You can't sell liquor in New York the way you sell it in California, Florida or Michigan," he says, "because every state has a different set of restrictions. And, too, tastes differ from region to region."

Mr. Luntz' advice to liquor marketers "would be to cut back national advertising and hire more guys to beat the bushes. But then I'm an old-timer."

Meanwhile, critics of the liquor industry, who've recently grown more vocal, often accuse marketers of encouraging alcohol abuse by promoting their product to heavy users. But insiders insist that quite the opposite is true.

"What other industry spends millions of dollars telling the public to limit use of its product?" Mr. Luntz asks. "I think the industry should call the public's attention to what it has done to promote moderation."

A distillery executive, who asked not to be identified, says: "We're responsible businessmen. We know people shouldn't abuse our products. We also know statistically people who drink in moderation live longer, have a better sex life and are more sociable. But we can't come out and say those things. Meanwhile, people make a living grandstanding and saying very bad things about alcohol."

Mr. Shanken says most distillers don't support legal changes that would allow them to advertise on radio and tv because they fear such a move would bring even more charges of irresponsible promotion of alcohol use.

"I respect their point of view," Mr. Shanken says, "but I'd like to see liquor advertising on tv. I just don't believe our industry is a second-class citizen."

Share of market trend—distilled spirits entering U.S. trade channels by type

Type	1960	1970	1975	1980	1981	1982
Bourbon	29%	22%	17%	15%	14.5%	14.3%
Blends	31	19	13	9	8.2	7.8
Scotch	9	13	13	10	10.5	10.4
Canadian	5	9	11	12	12.1	12.0
Irish	*	*	*	*	0.2	0.2
Total whisky	74	63	54	46	45.5	44.6
Gin	9	10	10	10	9.4	9.3
Vodka	8	13	20	22	21.5	21.7
Rum	2	4	4	7	6.9	7.4
Tequila	—	—	1	2	1.7	1.8
Total white goods	19	27	35	39	39.6	40.2
Brandy	3	4	3	4	4.5	4.3
Cordials & liqueurs	—	—	—	8	8.7	9.2
Cocktails & mixed drinks	—	—	—	2	1.8	1.7
Total specialties	7	10	11	15	14.9	15.2
Total distilled spirits	100%	100%	100%	100%	100.0%	100.0%

*Less than 0.5%.
Addition of columns may not agree because of rounding.
Source: Impact Databank

'Top 20' distilled spirits brands 1982 depletion and advertising analysis

Depletion rank	Brand	Depletions (thousands of 9-liter cases)	Percent change 1981-1982	Advertising expenditures (in millions)	Percent change 1981-1982
1	Bacardi	8,705	—	$8.7	15%
2	Smirnoff	7,320	-1%	9.9	34
3	Seagram's 7 Crown	5,845	-6	10.7	-18
4	Jim Beam	4,055	2	3.6	16
5	Jack Daniel's Black	3,935	4	5.1	13
6	Seagram's V.O.	3,865	-8%	12.0	-10
7	Canadian Mist	3,690	12	9.1	17
8	Seagram's gin	3,450	—	5.1	16
9	Canadian Club	3,400	-8	12.6	6
10	Windsor Supreme	3,180	12	7.3	9
11	Popov	3,035	-9%	0.3	+
12	Gordon's gin	2,880	-2	2.9	32
13	Gordon's vodka	2,510	2	*	—
14	Kamchatka	2,435	17	0.4	33
15	Gilbey's gin	2,365	—	4.7	4
16	J&B	2,350	-7%	9.2	-13
17	Dewar's	2,305	-4	9.1	5
18	Black Velvet	2,070	-4	5.0	—
19	Early Times	1,970	5	2.0	-23
20	Gilbey's vodka	1,915	-3	0.3	-25
	Total top	2,071,280	—	$118.0	4%

*Less than $50,000.
Source: Impact Databank

Coming

Next week Advertising Age Magazine's special report will focus on Sales Promotion.

Seagram takes crown for ad awareness

Despite an advertising spending cutback in 1982 of about 8% from 1981, Jos. E. Seagram & Sons still led the distilled spirits industry in ad outlays by a commanding margin, putting an estimated $86 million-plus behind its various brands.

According to *Impact*, a wine and spirits newsletter, Seagram poured nearly $60 million of that into magazines, and the company's Seagram's V.O., Crown Royal and Seagram's 7 Crown ranked among the top 10 spenders in that medium, taking the No. 1, No. 3 and No. 9 spots.

A separate study of liquor advertising awareness found that it was Seagram advertising that ranked highest in consumer awareness last year.

The monthly survey, conducted by SRI Research Center, Lincoln, Neb., asked consumers, "Of all the advertising for liquor and liquor products you've read, seen, or heard in the past month, which advertising first comes to mind?"

In all, 11,280 consumers 18 or older were asked that question by telephone last year.

Of those who recalled liquor advertising, 19% named "Seagram" advertising (without specifying a brand). The second- and third-most named ads were for specific brands: Jack Daniel's, mentioned by 11% of all those who remembered an ad, and Black Velvet, mentioned by 10%.

Impact puts Jack Daniel's 1982 ad spending at slightly more than $5 million, and Black Velvet's just at the $5 million mark. Of the top three in 1982 ad awareness, Jack Daniel's was the sole sales gainer, increasing its sales by about 4%, to nearly 4 million cases, industry sources estimate.

In a follow-up SRI survey commissioned by Advertising Age and conducted in June of this year, Seagram, Jack Daniel's and Black Velvet again held the top three spots in ad awareness, with Jack Daniel's switching into the No. 1 slot for June. The June survey covered a national random sample of 1,250 adults.

This one-month survey also delved into the demographics of the respondents and found that the top three were remembered more by males. Fifty-six per cent of those recalling Seagram were male while nearly two-thirds of those naming Jack Daniel's and Black Velvet ads were men.

The brands parted company when it came to ad awareness by age group, however. Jack Daniel's and Black Velvet had the highest ad recall among 18-to-34-year-olds, while more people 45 to 54 recalled Seagram ads than any other age segment.

Advertising for Smirnoff vodka and Seagram's 7 Crown was recalled by females more than any other brands, the June survey found.

Smirnoff advertising ranked No. 5 in awareness among all consumers in 1982 and No. 4 last June. In 1982, ad spending for Smirnoff vodka was increased more than 30% to slightly less than $30 million, about half what the entire category spent on 1982 ads, according to *Impact* figures.

Two outstanding successes last year, Bacardi rum, the top seller in the entire distilled spirits market, and Bailey's Irish Cream, the brand that launched and still dominates the cream liqueur category, ranked No. 7 and No. 10, respectively, in top-of-mind ad awareness for 1982. Bailey's poured nearly $7 million into advertising last year, while more than $8.5 million was put behind Bacardi rum.

The brand that ranked No. 6 in ad awareness for 1982 in the SRI study was not a distilled spirit, but Harvey's Bristol Cream, a sherry that, like other wine products, is allowed to advertise on tv.

In a separate question for the June SRI survey, respondents were asked if they consume *any* of a list of distilled spirits. Vodka was the winner for that question; 31% of the 1,250 people in the sample said they did consume some vodka.

(About 43% of Hispanics surveyed answered that they did drink some vodka; only 16% of the blacks did.)

Rum was No. 2 in the total sample, with a 25% score; gin and bourbon tied for third with 23% and scotch followed with a 20% "consumption incidence."

In an age group breakdown, it was the 18-to-24-year-olds that said most often that they consumed some rum (36%). Bourbon came in first with the over 65-year-olds, receiving 22% of the mentions of that group.

The same group was asked which of those liquor types they consumed *most*. (This reflects personal consumption habits only and does not indicate total volume for the various types of liquor.)

In this question, bourbon moved up to join vodka with a tie at 22%. Scotch followed with 12.5%; rum was close behind at 11.7%, and gin followed at 10.3%. Liqueurs and cordials were next with 8.6%, and brandy and cognac trailed behind with 7.5%.

The preferences become clearer in looking at demographic breakdowns. Of the people that said vodka was the spirit they consume the most, 67% were female and 92% were white.

Bourbon showed up as the preferred drink of white males; 96% of those naming bourbon as the liquor they drink most were white and 66% were men. Bourbon was named as liquor drunk most by 21% of those 45 to 54, a percentage higher than would be expected in the survey.

Scotch, the survey indicates, also finds its biggest following among men. Of those who called scotch the spirit they turned to most often, 68% were male. Whisky with a Scottish ancestry also proved to be the first choice of more people in the Northeast census area (28%) and among those with incomes of more than $20,000 (35% above $20,000 and 33% above $40,000).

What most satisfies the female palate? Liqueurs and cordials got the nod here. Women accounted for about two-thirds of those who said liqueurs were what they drank most.

That category also was picked as the drink most preferred by 25% of people 35-to-44-years-old, by 27% with incomes exceeding $40,000 and by 48% of respondents residing in the Northeast.

Women also were the leaders in picking rum as first choice in liquor (63%). That distilled spirit, currently enjoying growth in a generally depressed liquor market, also was chosen as the favorite among 18-to-34-year-olds, with a respectable 58%.

Gin, too, was most often named as the liquor drunk most by that age group, with 51% of those under 34 years old naming the product.

The black population favors brandy and cognac, according to the SRI survey; this finding backs up a national trend that has spurred cognac marketers to put substantial money behind ads aimed at blacks. Close to one-third of the blacks surveyed identified brandy or cognac as the liquor they drank most. About 41% of those naming cognac or brandy as the alcoholic beverage they drink most had incomes of between $20,000 and $40,000.

Over-all, the survey shows that as income increases, the consumption incidence for *all* liquor products increases. This could be a clue to the generally better performance for premium brands in all liquor categories.

The maximum error range in the June survey is plus or minus 2.8 percentage points at the 95% confidence level.

Top 10 in liquor ad awareness

Question: Of all the advertising for liquor and liquor products you've read, seen or heard, which advertising first comes to mind?

Named most for 1982*	Per cent share**	Named most for June, 1983	Per cent share**
1 Seagram's	19	1 Jack Daniel's	13.3
2 Jack Daniel's	17	2 Seagram's	10.5
3 Black Velvet	10	3 Black Velvet	6.8
4 Chivas Regal	8	4 Smirnoff	6.1
5 Smirnoff	6	5 Johnny Walker	4.9
6 Harvey's Bristol Cream	5	6 Seagram's 7 Crown	4.7
7 Bacardi	5	7 Bacardi	4.4
8 Cutty Sark	3	8 Chivas Regal	3.7
9 Jim Beam	3	8 Canadian Club	3.7
10 Bailey's Irish Cream	3	10 Cutty Sark	2.8
		10 J & B Scotch	2.8

*Cumulative

**Per cent of those who could recall any specific liquor advertising

Source: SRI Research Center, Lincoln, Neb.

The T-Shirtery now offers computerized, precision embroidery. Embroidery
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Embroidery

THE T-SHIRTERY INC.
1200 Menlo Drive
Atlanta, Ga 30377
404-351-9850 (inside Ga.)
Toll Free 800-241-1052

Barkeeps

(Continued from Page M-34)

years has been the bartender at a nearby West Side hot spot, Nanny Rose, was on hand.

Not surprisingly, the clientele at both Nanny Rose and CW's leans toward white wine and somewhat esoteric drinks. Daiquiris are big in the summer, along with drinks like the Cape Cod (vodka, cranberry juice and orange juice), Melon Balls (Midori liqueur, vodka and a splash of orange juice) and the Alabama Slammer (Jack Daniel's, Southern Comfort, vodka and a splash of o.j.). "That last one will really do you in," says Herbie. "You get the Fire Island and Hamptons crowd, who are used to ordering things like the Cape Cod on the weekends, so they want them here, too."

Females, Herbie and Frank find, are fond of white wine spritzers and kir—most recently, kir royale. "The more hard-core women drink gin and tonics or vodka," he says. "Martinis, Manhattans and so forth are more associated with the business crowd, the older guys.

According to Herbie, customers have persistent interest in new, tasty liqueurs—most recently, a hazelnut liqueur called Frangelico and the melon liqueur Midori.

Just as liqueurs carry a chic panache, "people order by brand when they want to impress," Herbie says. "It's the same type fashion concern that made coffee drinks and Kahlua so popular during the late 1970s."

Wine imports up, domestics drop, 1982 data show

By JOHN C. MAXWELL JR. and MARY B. ENGLISH

The wine market saw an overall sales increase of 1% in 1982. Imports continued to gain share, increasing 6.4% from 1981, while the domestic category registered a drop of 0.4% in total shipments.

Although imports have been the cause of domestic market share erosion for some time, this was the first time in several years that unit shipments were down.

There is a continuing movement toward white wine and away from reds and rosés. We believe this trend has resulted from several factors: The U.S. populace is moving away from red wine, which is generally heavier and served at room temperature, and is drinking more white wine, which is usually served chilled. White is also easier for first-time wine drinkers to get used to, and it is more frequently used in place of a cocktail than red.

Although this trend has been evident for several years now, it is slowing down and we expect it to level off over the next few years as Americans become more sophisticated wine drinkers and begin to test other waters.

White wine also has gained popularity in foreign markets. This is evidenced by the introduction of an addition to Paul Masson's existing line in the U.K. The new product is a dry white wine designed to appeal to the more sophisticated palates of red wine consumers. Masson believes this may boost its U.K. sales as much as 10%.

Imports

Imports continued to eat away at domestic market share. At 22.2% in 1982, imports are rapidly approaching the point where they will account for fully one-quarter of all wine sold in the U.S. Italy continued to account for the largest share of the import market, with 57.7% of the total. All countries registered year-to-year gains, with the exception of Portugal, which showed a 6.7% decline. France showed the largest increase (16%). We believe this jump resulted in part from the continued weakness of the French franc. Over-all, the import market rose 6.4% over 1981.

There are several reasons for the continuing strength of imports. First is the strength of the dollar in Europe, which serves to make imports very price-competitive with domestics. Second, many governments subsidize their wine industries. Third, as many European nations are faced with declining consumption and increasing production in their own countries, they are unloading excesses onto the U.S. market. When economic conditions normalize, this trend should begin to level off and reverse within the next few years.

It should be noted that some have suggested that a good deal of the Italian import category, which accounted for more than half of all imports in 1982, is in the form of lambrusco and Riunite-type wines, which have historically been more appealing to American consumers than many other imported wines. If one were to deduct this percentage from total imports, shipment comparisons would not be quite as drastic.

The domestic situation

Of the domestic producers, E.&J. Gallo was again far and away the No. 1 producer, with 24.7% of the U.S. market, up from 23.7% in 1981. United Vintners (now known as Heublein Wines) was second, with an 8.7% share, down half a share point from 1981, and Wine Spectrum, up almost a full-share point, surpassed Almaden this year, taking over third place. Almaden now ranks fourth. Of the top three, Gallo and Wine Spectrum showed year-to-year sales increases of 5.5% and 16.6%, respectively, while United Vintners/Heublein registered a decline of 4.6% on this same basis.

The combination of the recession and three large bumper crops back to back caused many producers to discount their products in an attempt to (a) diminish surplus stocks and (b) retain some semblance of competition with imports. Normally, this economic strategy would have stimulated consumption. However, this was not the case and, because many people still consider wine a luxury and not a necessity, we believe that the state of the economy and cheap imports have kept, and will continue to keep, domestic sales flat and prices well below normal for the near future. Retail prices are currently approaching the levels of a decade ago.

The winners in this bear wine market appear to be the companies whose marketing strategies and expertise have allowed them to weather the storm. As it is our contention that 15% of the population consumes 85% of the wine, a possible solution to increasingly sluggish domestic consumption might be to take the emphasis off wine as a mysterious, romantic, special-occasion luxury item and make it a more of an "anybody, anywhere, anytime" drink. In many European countries, wine is looked upon more as a food and is consumed daily. We believe that one step in making wine *the* drink of the American public would be to change the container, making it both more visible and available in a wide variety of shapes, sizes and different types of containers. We would particularly like to see more cans available.

Wine can currently be purchased in supermarkets in California and several other states. If this were to be approved in New York and other key states, it would most definitely be a boon to wine consumption. California currently accounts for about 20% of the total domestic market, while New York accounts for an estimated 10%.

Another smart marketing move might lie in wine producers teaming up as dairy producers have done in the past to create industry-wide advertising rather than battling it out among themselves, vying for increased share in a shrinking domestic market.

The light wine market has, in our opinion, been a bust. Its performance has been flat and is beginning to trend downward. We estimate that the light market now accounts for about 1.5% of the total, whereas original industry expectations were between 10% and 20%. One of the reasons light wines have not lived up to expectations is that wine is already perceived as low-calorie. A second reason may lie in the taste. By removing a percentage of the alcohol content, as well as sugar content, the taste tends to lose something in the process and we believe that a good deal of wine's appeal is based on how good it tastes. Although we do not rule out light wine as eventually finding its market niche, it may be an idea whose time has not yet come.

Exports

U.S. wineries are attempting to further infiltrate the European market, especially in the U.K., which is the leading importer of U.S. wines, followed by Canada and West Germany. Seagram, which pioneered the California wine market in the U.K. with Paul Masson, has recently been joined by E.&J. Gallo. Coca-Cola's Wine Spectrum is scheduled to enter the market this summer. Although the industry is currently attempting to have trade barriers against U.S. exports to Europe eliminated or softened with legislation such as "The Wine Equity Act of 1983," we believe that even if this were to pass, it would have no significant impact for the following reasons: (a) Europe is already awash in wine and is also facing decreasing demand; (b) U.S. goods are very costly in Europe, and (c) our penetration is now minuscule and is further hampered by labor regulations in various countries. However, the main problem with U.S. wines in Europe will continue to be the strength of the dollar against foreign currencies.

Mr. Maxwell and Ms. English are with Lehman Bros. Kuhn Loeb, New York.

U.S. wine market: Sales and shares

Millions of gallons, per cent of market

Rank 1981	Rank 1982	Company	1980 Amount	1980 Share	1981 Amount	1981 Share	1982 Amount	1982 Share	Change 1981-82
1	1	E.&J. Gallo	119.3	23.3%	128.2	23.7%	135.2	24.7%	5.5%
2	2	United Vintners	51.9	10.1	49.8	9.2	47.5	8.7	(4.6)
4	3	Wine Spectrum	22.2	4.3	27.1	5.0	31.6	5.8	16.6
3	4	Almaden	31.7	6.2	30.1	5.6	28.4	5.2	(5.4)
7	5	Canandaigua	13.6	2.7	15.3	2.8	17.6	3.2	15.0
6	6	Paul Masson	16.3	3.2	16.5	3.1	15.9	2.9	(4.0)
5	7	The Wine Group	18.2	3.6	22.9	4.3	15.7	2.9	(31.5)
9	8	Monarch	12.4	—	12.6	2.3	12.6	2.3	—
8	9	Guild	12.3	2.4	13.2	2.5	10.9	2.0	(17.7)
10	10	Sebastiani	10.0	2.0	8.5	1.6	7.2	1.3	(15.1)
14	11	Beringer	3.3	0.6	4.0	0.7	4.1	0.8	1.1
11	12	Gibson	4.5	0.9	4.6	0.8	3.9	0.7	(15.6)
13	13	Christian Bros.	5.0	1.0	4.1	0.8	3.7	0.7	(9.3)
12	14	C. Mondavi	5.0	1.0	4.5	0.8	3.5	0.6	(22.6)
16	15	Bronco	3.4	0.7	3.2	0.6	3.3	0.6	3.4
15	16	Lamont	3.2	0.6	3.5	0.6	3.0	0.5	(15.6)
18	17	Delicato	2.0	0.4	1.9	0.4	2.6	0.5	35.7
15	18	Mogen David	5.0	1.0	3.5	0.6	2.5	0.5	(28.6)
17	19	Giumarra	2.2	0.4	2.3	0.4	2.2	0.4	(2.9)
19	20	Weibel	1.6	0.3	1.6	0.3	1.8	0.3	13.9
21	21	F. Korbel	0.9	0.2	1.2	0.2	1.5	0.3	27.5
19	22	Wente	1.7	0.3	1.6	0.3	1.3	0.2	(19.5)
22	22	Robert Mondavi	1.3	0.3	0.9	0.2	1.3	0.3	44.3
20	23	East-Side	1.4	0.3	1.3	0.2	1.1	0.2	(21.8)
20	23	Sonoma	1.4	0.3	1.3	0.2	1.1	0.2	(18.3)
23	24	Mirassou	0.8	0.2	0.8	0.1	0.8	0.1	(0.8)
25	25	San Martin	0.6	0.1	0.6	0.1	0.7	0.1	23.8
22	26	Brookside	1.0	0.2	0.9	0.2	0.6	0.1	(30.2)
24	26	Louis Martini	0.7	0.1	0.7	0.1	0.6	0.1	(8.5)
21	27	California Growers	1.2	0.2	1.2	0.2	0.5	0.1	(60.5)
26	27	M&H	0.3	—	0.4	0.1	0.5	0.1	22.8
27	28	Pacific Land & Viticulture*	0.2	—	0.2	—	0.1	—	(58.8)
24	**	Perelli-Minetti	1.2	0.2	0.7	0.1	—	—	—
		Subtotal	353.2	69.0	369.2	68.1	363.3	66.4	(1.6)
		Other domestic	54.3	10.6	58.5	10.8	62.6	11.4	7.0
		Total domestic	**410.1**	**80.1**	**427.7**	**78.9**	**425.9**	**77.8**	**(0.4)**
		Imports	**102.1**	**19.9**	**114.2**	**21.1**	**121.6**	**22.2**	**6.4**
		Total	512.2	100.0	541.9	100.0	547.5	100.0	1.0

*Formerly Concannon. **Perelli-Minetti is now part of Sierra Wine Co.

Source: Lehman Brothers Kuhn Loeb Research

Krigsman to head League of Advertising Agencies

NEW YORK—Arnold Krigsman, president of de Krig Advertising, has been elected president of the League of Advertising Agencies for 1983-1984. Elected LAA vps were Guy Speyer, president, Phillips, Miller, Speyer & Frost, and Joseph Dietz, president, J.M. Kesslinger & Associates. James E. Paroline, vp-finance and operations, Needham & Grohmann, was elected treasurer, and Myron Dubro, president, Sherwood Agency, was named secretary.

Finnegan & Agee adds new office, moves old

ROANOKE—Finnegan & Agee, based in Richmond, has opened an office here to service the recently added Southwest Virginia McDonald's Operators Assn. account. Manager of the office, located at 3959 Electric Rd. SW, Roanoke 24013, has not been determined. In Richmond, the agency has moved its office to 410 W. Franklin St., 23220.

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